COURT FILE NUMBER	1101-17318
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
APPLICANTS	IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c.C-36, AS AMENDED AND IN THE MATTER OF THE BUSINESS CORPORATIONS ACT, R.S.A. 2000, c. B-9 AND IN THE MATTER OF LEGACY COMMUNITIES INC., AIRDRIE CAPITAL CORPORATION, AIRDRIE COUNTRY ESTATES INC., RAILSIDE CAPITAL INC., RAILSIDE INDUSTRIAL PARK INC., FOUNDATION PLACE CAPITAL INC. and FOUNDATION PLACE INC.
DOCUMENT	**SEVENTEENTH REPORT OF THE MONITOR** **APRIL 25, 2013**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**MONITOR** Ernst & Young Inc. 1000, 440 - 2nd Avenue SW Calgary, Alberta T2P 5E9 Attention: Neil Narfason / Cassie Riglin Telephone: 403-206-5067 / (403) 206-5005 Fax: 403-206-5075 Email: Neil.Narfason@ca.ey.com Cassie.Riglin@ca.ey.com **COUNSEL** McCarthy Tétrault LLP Suite 3300, 421 7th Avenue SW Calgary AB T2P 4K9 Attn: Sean Collins / Walker MacLeod Telephone: 403-260-3531 / 403-260-3710 Email: scollins@mccarthy.ca wmacleod@mccarthy.ca

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INTRODUCTION

1. On December 21, 2011, Legacy Communities Inc. ("Legacy") and Airdrie Capital Corporation ("ACC") and Airdrie Country Estates Inc. (collectively "Airdrie") sought and obtained protection from their creditors under the Companies' Creditors Arrangement Act, R.S.C. 1985 c. C-36, as amended, (the "CCAA") pursuant to an order of this Honourable Court (the "Initial Order").

2. Pursuant to the Initial Order, Ernst & Young Inc. was appointed monitor of Legacy and Airdrie (the "Monitor").

3. On March 21, 2012, under these same proceedings, Railside Capital Inc. and Railside Industrial Park Inc. (collectively "Railside") and Foundation Place Capital Inc. and Foundation Capital Inc. (collectively "Foundation Place") were granted an Order (the "Railside & Foundation Place Order") by this Honourable Court granting them protection from their creditors pursuant the CCAA.

4. Legacy, Airdrie, Railside and Foundation Place are sometimes collectively referred to as the "Companies" or the "Debtors".

5. On January 19, 2012 this Honourable Court granted an Order creating an Unsecured Creditors Committee ("UCC") in these proceedings.

6. On May 12, 2012 this Honourable Court granted an Order expanding the Monitor's powers as "co-manager" of the Companies.

7. On July 5, 2012, this Honourable Court granted Orders sanctioning the respective plans of compromise and arrangement (the "Legacy and Airdrie Plans") presented to the creditors of each of Legacy and Airdrie and approved by an overwhelming majority of those creditors. The Legacy and Airdrie Plans have been implemented and pursuant to the terms of the Legacy and Airdrie Plans, the interim board of directors are now running each of those entities.

8. On December 21, 2012, this Honourable Court granted Orders sanctioning the Railside plan of compromise and arrangement (the "Railside Plan") presented to the creditors

of Railside and approved by an overwhelming majority of those creditors. The Monitor anticipates that the Railside Plan will be implemented shortly and, pursuant to the terms of the Railside Plan, the interim board of directors will take control of that entity.

9. The purpose of this seventeenth report (the "Seventeenth Report") of the Monitor is to provide this Honourable Court with:

   a) A Foundation Place update;

   b) The forecast to actual cash flow results for the period of March 1, 2013 to April 30, 2013 (the "Reporting Period");

   c) The cash flow forecast (the "Forecast") from May 1, 2013 to June 30, 2013 (the "Forecast Period");

   d) The Debtor's request for an extension of the Stay Period; and

   e) The Monitor's recommendation.

10. Capitalized terms not defined in this Seventeenth Report are as defined in the Initial Orders.

11. All references to dollars are in Canadian currency unless otherwise noted.

BACKGROUND

12. Background for the Debtors together with other information regarding these CCAA proceedings, have been posted by the Monitor on its website at: www.ey.com/ca/foundationgroup.

TERMS OF REFERENCE

13. In preparing this Seventeenth Report, the Monitor has relied upon unaudited financial information, company records and discussions with management of the Company. The Monitor has not performed an audit, review or other verification of such information. An examination of the financial forecast as outlined in the Canadian

Institute of Chartered Accountants Handbook has not been performed. Future orientated financial information relied upon in this report is based on management's assumptions regarding future events and actual results achieved will vary from this information and the variations may be material.

FOUNDATION PLACE RESTRUCTURING EFFORTS

14. The Monitor has been approached by an investor who indicates that he represents a large number of Foundation Place investors who would like to hold this property for a longer term in hopes of achieving a higher recovery. The Monitor has advised this group that in order to hold the property Foundation Place will require exit financing and a plan of arrangement. As a result of the delays in resolving the Mylonas and Landstar claims (discussed below), this group of investors require additional time to find the necessary financing to develop a plan and avoid liquidation and the Monitor is supportive of this process.

15. Mylonas Enterprises Ltd. ("Mylonas") and Landstar Teamworks Project Management Ltd. ("Landstar") have each registered encumbrances against the Foundation Place lands in priority to the Foundation Place Capital mortgage and submitted claims against Foundation Place in respect thereof prior to the claims bar date of August 21, 2012. The Monitor had filed an application on September 20, 2012 to strike out the caveat filed by Mylonas, which application was adjourned sine die. On November 19, 2012, Mylonas submitted an amended proof of claim to the Monitor in respect of its claim against Foundation Place. The Monitor has reviewed the amended Mylonas claim and the Landstar claim and issued notices of disallowance in respect of both of them in accordance with the Claims Process Order granted in respect of Foundation Place on July 5, 2012. Mylonas and Landstar have disputed the notices of disallowance in accordance with the Claims Process Order. The Monitor is presently working with counsel for Mylonas and Landstar to set a litigation schedule to resolve the claims.

16. The DIP loan with Azimuth Risk Management Ltd. ("Azimuth") is now overdue. The Monitor/Co-Manager is working on negotiating an extension of this facility.

FORECAST TO ACTUAL RESULTS

Foundation Place

17. The cash flow forecast to actual presented at Appendix A contains the cash receipts and disbursements incurred to date for Foundation Place as compared to the cash flow forecasts previously provided to this Court.

Foundation Capital Inc. and Foundation Place Capital Inc.
Cash Flow Forecast to Actual
March 1, 2012 - April 30, 2013

	Forecast	Actual	Variance
Receipts	305,000	279,443	(25,557)
Disbursements	585,436	300,949	284,487
Net Cash Flows	(280,436)	(21,506)	258,930

18. Cash receipts for the Reporting Period were $5,000 from parking lot revenue and approximately $274,000 of DIP Financing. Azimuth was only able to fund approximately $274,000 of the Foundation Place DIP Financing, and has been advised that the remaining unfunded portion will not be funded.

19. Operating expenses, which have been incurred but not entirely paid during the Reporting Period, for Foundation Place total approximately $301,000. The positive variance of approximately $284,000 relates primarily to the timing of settlement for professional fees in order to conserve cash moving into the Forecast Period.

20. Operating costs have been reduced to zero, with only professional fees and property taxes accruing.

CASH FLOW FORECAST THROUGH JUNE 30, 2013

21. Foundation Place, with the assistance of the Monitor, has prepared a Forecast. The Forecasts are based on the most current information available.

22. The table below summarizes the cash flows for Foundation Place for the Forecast Period:

Cash Flow Forecast May 1, 2013 - June 30, 2013			
	Notes		Foundation Place
RECEIPTS	a		
Debtor-in-possession financing	b	$	-
Total receipts		$	-
DISBURSEMENTS			
Management fees	c	$	-
Consulting fees	d		-
CCAA professional fees	e		40,000
Administration Charge offset	e		(40,000)
Total disbursements		$	-
NET CASH FLOWS		$	-
OPENING CASH		$	5,095
NET CHANGE IN CASH FLOWS			-
ENDING CASH		$	5,095

23. As summarized above, Foundation Place is projecting no further DIP Financing needs for the Forecast Period. The accrued and unpaid professional fees are beneficiaries of the Administrative Charge, and all beneficiaries have agreed to extend the time for payment until exit financing is secured or until it is apparent no exit financing will be obtained. Accordingly, no further cash needs are required during the Forecast Period.

24. Significant assumptions with respect to Foundation Place are:

a) Foundation Place have no operating revenues;

b) No further DIP Financing is required at this time and an extension of the DIP Financing can be obtained;

c) No further management fees will be incurred on Foundation Place;

d) No further Consulting fees are to be paid for Foundation Place; and

e) Professional fees relate to the costs of the Monitor and its legal counsel, the Company's legal counsel and the UCC's legal counsel and have been estimated by the Monitor.

25. The Monitor has reviewed the assumptions supporting the Forecasts and believes the assumptions to be reasonable.

THE COMPANY'S REQUEST FOR AN EXTENSION OF THE STAY PERIOD

26. Pursuant to the Orders of this Honourable Court dated January 28, 2013 the Stay Period expires on April 30, 2013 for Foundation Place.

27. Foundation Place is seeking an extension of the Stay Period up to and including June 30, 2013 (the "Stay Extension").

28. The Stay Extension is necessary to allow for the resolution of the Mylonas and Landstar claims which will then allow the Foundation Place investors an opportunity to assess the viability of developing a plan of arrangement and to find the necessary financing required.

29. In the Monitor's view, Foundation Place is acting in good faith and with due diligence and the extension of the stay of proceedings is warranted.

MONITOR'S RECOMMENDATION

30. The Monitor recommends that that this Honourable Court approves the Stay Extension.

Dated at Calgary, this 25th day of April, 2013.

ERNST & YOUNG INC.
in its capacity as Monitor and Co-Manager
of Foundation Place

Neil Narfason, CA•CIRP, CBV
Senior Vice-President

Cassie Riglin, CA
Manager

APPENDIX A

Foundation Capital Inc. and Foundation Place Capital Inc.
Cash Flow Forecast to Actual
March 1, 2012 - April 30, 2013

	Forecast	Actual	Variance
RECEIPTS			
Debtor-in-possession financing	305,000	$ 274,443	$ (30,557)
Parking Lot Revenue	-	5,000	5,000
Total receipts	**305,000**	**279,443**	**(25,557)**
DISBURSEMENTS			
Management fees	65,412	65,412	-
Consulting fees	11,724	8,014	3,710
Property taxes	34,000	27,995	6,005
Operating Expenses	300	1,903	(1,603)
Appraisals	4,000	2,625	1,375
CCAA professional fees	470,000	195,000	275,000
Total disbursements	**$ 585,436**	**$ 300,949**	**$ 284,487**
NET CASH FLOWS	**$ (280,436)**	**$ (21,506)**	**$ 258,930**
OPENING CASH	$ 26,601	$ 26,601	
NET CHANGE IN CASH FLOWS	(280,436)	(21,506)	
ENDING CASH	**$ (253,835)**	**$ 5,095**	